

असाधारण

EXTRAORDINARY

भाग II — खण्ड 2 PART II — Section 2 प्राधिकार से प्रकासित

PUBLISHED BY AUTHORITY

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सं॰ 5] नई दिल्ली, बृहस्पतिवार, मार्च 1, 2001 / फाल्गुन 10, 1922 No. 5] NEW DELHI, THURSDAY, MARCH 1, 2001 / PHALGUNA 10, 1922

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके। Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bill was introduced in Lok Sabha on 1.3.2001.

BILL No. 16 of 2001

A Bill further to amend the Finance Act, 2000 and the Income-tax Act, 1961.

Be it enacted by Parliament in the Fifty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 2001.

Short title and commencement.

(2) It shall be deemed to have come into force on the 3rd day of February, 2001.

2. In section 2 of the Finance Act, 2000 (hereinafter referred to as the principal Act),—

Amendment of section 2.

(a) in sub-section (4),---

- (i) in clause (a), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
- (ii) in clause (b), for the words "eleven per cent.", the words "thirteen per cent." shall be substituted;
- (b) in sub-section (6),—
- (i) in clause (a), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
- (ii) in clause (b), for the words "eleven per cent.", the words "thirteen per cent." shall be substituted;

10 of 2000.

- (c) in sub-section (7),—
- (i) in clause (a), for the words "ten per cent.", the words "twelve per cent." shall be substituted:
- (ii) in clause (b), for the words "eleven per cent.", the words "thirteen per cent." shall be substituted;
- (d) in sub-section (8), in the third proviso, in clause (a),—
- (i) in sub-clause (i), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
 - (ii) in sub-clause (ii),-
 - (A) in item (A), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
 - (B) in item (B), for the words "fifteen per cent.", the words "seventeen per cent." shall be substituted;
- (e) in sub-section (8), in the third proviso, in clause (b), for the words "eleven per cent.", the words "thirteen per cent." shall be substituted;
 - (f) in sub-section (9), in the proviso,--
 - (i) in clause (a),—
 - (A) in sub-clause (i), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
 - (B) in sub-clause (ii), for the words "fifteen per cent.", the words "seventeen per cent." shall be substituted;
 - (ii) in clause (b), for the words "ten per cent.", the words "twelve per cent." shall be substituted.

Amendment of the First Schedule.

- 3. In the First Schedule to the principal Act,-
 - (a) in Part II, under the heading Surcharge on income-tax,—
 - (i) in item (a), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
 - (ii) in item (b), for the words "eleven per cent.", the words "thirteen per cent." shall be substituted;
 - (b) in Part III, in Paragraph A, under the heading Surcharge on income-tax,-
 - (i) in item (i),—
 - (A) in sub-item (A), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
 - (B) in sub-item (B), for the words "fifteen per cent.", the words "seventeen per cent." shall be substituted;
 - (ii) in item (ii), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
- (c) in Part III, in Paragraph B, under the heading Surcharge on income-tax, for the words "ten per cent.", the words "twelve per cent." shall be substituted;
- (d) in Part III, in Paragraph C, under the heading Surcharge on income-tax, for the words "ten per cent.", the words "twelve per cent." shall be substituted;

- (e) in Part III, in Paragraph D, under the heading Surcharge on income tax, for the words "ten per cent.", the words "twelve per cent." shall be substituted;
- (f) in Part III, in Paragraph E, under the heading Surcharge on income tax, for the words "eleven per cent.", the words "thirteen per cent." shall be substituted.

43 of 1961.

4. In section 10 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in clause (23C), after the eighth proviso, the following proviso shall be inserted, namely:—

Amendment of section 10.

- "Provided also that any amount of donation received by the fund or institution in terms of clause (d) of sub-section (2) of section 80G which has been utilised for purposes other than providing relief to the victims of earthquake in Gujarat or which remains unutilised in terms of sub-section (5C) of section 80G and not transferred to the Prime Ministers' National Relief Fund on or before the 31st day of March, 2002 shall be deemed to be the income of the previous year and shall accordingly be charged to tax.".
- 5. In section 12 of the Income-tax Act, after sub-section (2) and the Explanation thereto, the following sub-section shall be inserted, namely:—

Amendment of section 12.

- "(3) Notwithstanding anything contained in section 11, any amount of donation received by the trust or institution in terms of clause (d) of sub-section (2) of section 80G which has been utilised for purposes other than providing relief to the victims of earthquake in Gujarat or which remains unutilised in terms of sub-section (5C) of section 80G and not transferred to the Prime Ministers' National Relief Fund on or before the 31st day of March, 2002 shall be deemed to be the income of the previous year and shall accordingly be charged to tax."
- 6. In section 80G of the Income-tax Act,-

Amendment of section 80G.

- (a) in sub-section (1), in clause (i),—
- (i) after the words, brackets, figures and letter "or in sub-clause (iiig)", the words, brackets, figures and letters "or in sub-clause (iiiga)" shall be inserted;
- (ii) after the words, brackets and letter "or in clause (c)", the words, brackets and letter "or in clause (d)" shall be inserted;
- (b) in sub-section (2),—
- (i) in clause (a), after sub-clause (iiig), the following sub-clause shall be inserted, namely:—
 - "(iiiga) any fund set up by the State Government of Gujarat exclusively for providing relief to the victims of earthquake in Gujarat;";
 - (ii) after clause (c), the following clause shall be inserted, namely:—
 - "(d) any sums paid by the assessee, during the period beginning on the 26th day of January, 2001 and ending on the 30th day of September, 2001, to any trust, institution or fund to which this section applies for providing relief to the victims of earthquake in Gujarat.";
- (c) after sub-section (5B), the following sub-section shall be inserted, namely:—
- "(5C) This sub-section applies in relation to amounts referred to in clause (d) of sub-section (2) only if the trust or institution or fund is established in India

for a charitable purpose and it fulfills the following conditions, namely:—

- (i) it is approved in terms of clause (vi) of sub-section (5);
- (ii) it maintains separate accounts of income and expenditure for providing relief to the victims of earthquake in Gujarat;
- (iii) the donations made to the trust or institution or fund are applied only for providing relief to the earthquake victims of Gujarat on or before the 31st day of March, 2002;
- (iv) the amount of donation remaining unutilised on the 31st day of March, 2002 is transferred to the Prime Ministers' National Relief Fund on or before the 31st day of March, 2002;
- (ν) it renders accounts of income and expenditure to such authority and in such manner as may be prescribed, on or before the 30th day of June, 2002.".

Amendment of section 234C.

- 7. In section 234C of the Income-tax Act, in sub-section (1), after the second proviso, the following proviso shall be inserted, namely:—
 - "Provided also that nothing contained in this sub-section shall apply to any shortfall in the payment of the tax due on the returned income where such shortfall is on account of increase in the rate of surcharge under section 2 of the Finance Act, 2000 as amended by the Taxation Laws (Amendment) Act, 2001 and the assessee has paid the amount of shortfall on or before the 15th day of March, 2001 in respect of the instalment of advance tax due on the 15th day of June, 2000, the 15th day of September, 2000 and 15th day of December, 2000."

10 of 2000.

Instalment of advance tax in case of additional surcharge, payable on 15th March, 2001

- 8. Notwithstanding anything contained in the Income-tax Act, the surcharge payable under section 2 of, and Part III of the First Schedule to, the principal Act, as amended by this Act,—
 - (i) in the case of an assessee, in respect of the instalment of "advance tax" paid or payable on or before the 15th day of June, 2000, the 15th day of September, 2000 and the 15th day of December, 2000, shall be payable on or before the 15th day of March, 2001;
 - (ii) in any case in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the Income-tax Act, shall be payable, only where such income-tax is so charged after the date on which this Act comes into force.

Repeal and saving.

9. (1) The Taxation laws (Amendment) Ordinance, 2001 is hereby repealed.

Ord. 2 of 2001.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

STATEMENT OF OBJECTS AND REASONS

Many areas of Gujarat have been devastated by a severe earthquake that hit the State on the morning of 26th January, 2001. Apart from the massive loss of life, large scale destruction of property and infrastructure has also taken place. It is estimated that reconstruction and rehabilitation in the quake-hit areas will require large sums of money. In order to mobilise additional revenue required for rehabilitation of quake-hit areas, it was decided to increase the surcharge by 2% on the income tax payable for the financial year 2000-2001 by persons having income above Rs. 60,000 and by domestic companies. It is further decided to provide that donations made on or before 30th September, 2001 to charitable institutions registered with the Income tax Department would be entitled to 100% deduction if such donations are applied for providing relief to the earthquake victims.

- 2. The Bill seeks to levy a further surcharge at the rate of 2% on the income tax payable by persons (other than companies) having income above Rs. 60,000 and domestic companies for the assessment year 2001-2002. The Bill seeks to further provide that donations made on or before 30th September, 2001 to charitable institutions and funds registered with the Income-tax Department will be entitled to 100% deduction if such donations are applied for providing relief to the earthquake victims in Gujarat on or before the 31st day of March, 2002. It also seeks to provide 100% deduction to donations in any fund set up by the State Government of Gujarat for providing relief to victims of the earthquake.
- 3. As Parliament was not in session, and since there was urgency, President was pleased to promulgate the Taxation Laws (Amendment) Ordinance, 2001 (Ord. 2 of 2001) on the 3rd of February, 2001 to achieve the aforesaid purpose.
 - 4. The Bill seeks to replace the Taxation Laws (Amendment) Ordinance, 2001.

New Delhi:

YASHWANT SINHA.

The 22nd February, 2001.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter dated the 23rd February, 2001 from Shri Yashwant Sinha, Minister of Finance to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Taxation Laws (Amendment) Bill to amend the Income-tax Act, 1961, recommends under clause (1) of article 117 and clause (1) of article 274 of the Constitution of India, the introduction of the Bill in Lok Sabha.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (c) of clause 6 of the Bill seeks to empower the Central Board of Direct Taxes to make rules for rendering of accounts of income and expenditure by a trust or institution or fund to such authority and in such manner as the rules may provide in respect of donations received by it for providing relief to the victims of earthquake in Gujarat.

- 2. The matters in respect of which rules may be made in accordance with the aforesaid provision of the Bill are matters of procedure and detail.
 - 3. The delegation of legislative power is, therefore, of a normal character.

G.C. MALHOTRA, Secretary-General.